

Corn futures continued to push toward new lows in the second half of July as favorable Corn Belt weather offset global losses elsewhere. Five percent of the U.S. corn area was affected by drought through the week ending July 30. Timely rains remain in the short-term forecast for much of the major production areas. USDA indicated 68 percent of the corn crop was rated good/excellent through the week ending July 28. This was 1 percent higher than the prior week and 7 points higher than the 5-year average. Ethanol margins are profitable. Ethanol production through the week ending July 26 was 1.109 million barrels per day. This was 4 percent higher than a year ago and a record-high for the last week of July. Ethanol stocks also ticked higher 1 percent from the previous week and were 4.9 percent higher than a year ago. New crop corn export sales have picked up in recent weeks but remain behind average for this point in the marketing year. China has yet to secure any new crop corn purchases. Internationally, the story of shrinking supply remains intact. Argentine harvest is nearly complete and yields indicate a further reduction in production forecasts from USDA. Brazilian FOB premiums scored new seasonal highs last week. Drought in the Black Sea region also threatens crop potential in Eastern Europe. Market attention will remain focused on yield estimates coming out of the fields across the Corn Belt as well as any signs of export demand picking up. USDA confirmed it will include FSA acreage data and adjusted planted/harvested acres accordingly in the next crop report. Our clients have leaned on flexible positions throughout the spring and early summer. They are maintaining protection to lower prices but freshening up coverage to position themselves to benefit should there be a market rebound.



The estimated yield for the Dec 2024 crop is 216 bushels per acre and the non-land operating cost is \$788 per acre. Land cost for Dec 2024 is estimated at \$275 per acre¹. Basis for the Dec 2024 crop is estimated at \$-0.25 per bushel.



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¹ The Corn Margin Watch yield, land and non-land operating cost values are based upon central Illinois low productivity farmland crop estimates in the "Historic Corn, Soybean, Wheat, and Double-crop Soybeans" report published by the Department of Agricultural and Consumer Economics at the University of Illinois.

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